



LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR

STATE OF HAWAII  
DIVISION OF CONSUMER ADVOCACY  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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MARK E. RECKTENWALD  
DIRECTOR

JOHN E. COLE  
EXECUTIVE DIRECTOR

## **A Brief Overview of the Division of Consumer Advocacy**

### **About the Division**

- The Division of Consumer Advocacy (DCA), part of the state Department of Commerce & Consumer Affairs, was established to protect and represent consumer interests before the Hawaii Public Utilities Commission (PUC), and other local and federal agencies. The Division assists and represents utility customers as a whole, statewide, as opposed to a single customer or select group.
- In Hawaii, utility companies must seek PUC approval for rate increases, major capital improvement projects, company buyouts and mergers, and financing. Utilities must also seek PUC approval when they want to implement special programs such as Demand-Side Management or Distributed Generation.
- The DCA carefully reviews different aspects of a utility company's request to regulators to determine whether or not it is reasonable or necessary and in the best interest of consumers. The Division then makes recommendations to the PUC on behalf of ratepayers. Once the Consumer Advocate and the utility have presented their respective positions a decision is made by the PUC.
- Public hearings play a crucial role in allowing the DCA to formulate their statement of position. At each hearing the Consumer Advocate carefully listens to all of the concerns presented by the community, which assists in developing the Division's statement of position.
- The DCA's staff is made up of attorneys, engineers, statisticians, accountants, other analysts, an educational specialist, and support staff.

### **Executive Director, John Cole**

In May of 2004, John Cole was appointed Executive Director of the Division of Consumer Advocacy. Prior to accepting this position John was a Policy Analyst with the office of Governor Linda Lingle.

Originally from Michigan, John moved with his family to the Big Island where he graduated from St. Joseph High School in Hilo. He went on to attend the University of Hawaii at Manoa where he graduated with a Bachelor of Science degree in Biology, *Cum laude*. In 1997 John received his law degree from Washington University School of Law in St. Louis, Missouri. John returned to Hawaii, and after working briefly for a Honolulu law firm, went on to work for the State of Hawaii. His positions with the state include: Attorney for the Hawaii House of Representatives Majority Leaders Ed Case and Marcus Oshiro, Staff Attorney for the Office of

Information Practices, Staff Attorney for the Division of Consumer Advocacy, and Policy Analyst for Governor Lingle.

### **Proposed Sale of Verizon Hawaii to The Carlyle Group**

#### *DCA's Role*

The Division of Consumer Advocacy's role in the proposed sale will be to represent and protect the interests of all Hawaii's consumers of utility services before the Public Utilities Commission by advocating for reliable utility services at reasonable costs. The Division will accomplish this by:

- Determining if the buyer is fit and able to provide reliable telecommunications services to the ratepayers of Hawaii.
- Carefully looking at whether or not both parties can ensure a smooth transition without causing disruption or detriment to local ratepayers.

#### *Additional Information*

- The Carlyle Group has proposed buying the Hawai'i telephone operations of Verizon Communications Inc. for \$1.65 billion.
- The purchase will include the local telephone business; long distance and Internet services as well as Verizon's print yellow page business. Verizon will continue to operate and offer its cell phone services and sales locally.
- Carlyle says it will relocate all of the company's functions currently performed on the mainland to Hawaii. Some of these functions will include human resources, legal affairs, finances, and information technology. Carlyle has also stated that they plan to expand services, which would likely include expanded broadband service.
- The two companies say that their plans will not effect rates or consumers in the immediate future or for at least ten years.

### **Verizon Hawaii Sale Statewide Public Hearings Schedule**

#### **Docket No. 04-0140**

#### **Oahu**

Today, October 5, 2004, 6:00 p.m.  
State Capitol Auditorium, Basement Level  
415 South Beretania Street, Honolulu

#### **Kauai**

Thursday, October 7, 2004, 6:00 p.m.  
Lihue Neighborhood Center (Old Building)  
3353 Eono Street, Lihue

#### **Maui**

Tuesday, October 12, 2004, 6:00 p.m.  
Maui Waena Intermediate School Cafeteria  
795 Onehee Avenue, Kahului

#### **Molokai**

Wednesday, October 13, 2004, 6:00 p.m.  
Mitchel Pauole Center Conference Room  
90 Ainoa Street, Kaunakakai

**Lanai**

Thursday, October 14, 2004, 6:00 p.m.  
Lanai High & Elementary School Cafeteria  
Fraser Avenue, Lanai City

**Hawaii-Kona**

Tuesday, October 19, 2004, 6:00 p.m.  
Kealahou Intermediate School Cafeteria  
74-5062 Onipa'a Street, Kailua-Koan

**Hawaii-Hilo**

Wednesday, October 20, 2004, 6:00 p.m.  
Hilo Intermediate School Cafeteria  
587 Waianuenue Avenue, Hilo

If individuals are unable to attend the public hearings but would still like to comment they should send their written statements to:

The Public Utilities Commission  
465 South King Street, Room #103  
Honolulu, Hawaii 96813  
Or  
E-mail: [Hawaii.PUC@hawaii.gov](mailto:Hawaii.PUC@hawaii.gov)

and

The Division of Consumer Advocacy  
335 Merchant Street, Room #326  
Honolulu, Hawaii 96813  
Or  
E-mail: [consumeradvocate@dcca.hawaii.gov](mailto:consumeradvocate@dcca.hawaii.gov)

**All written statements must include the following information: 1) Docket No. 04-0140, 2) Your Name, 3) Organization you represent, if any, 4) your address.**